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# China Report

POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS

PRC STATE COUNCIL BULLETIN,

No 4, 20 February 1985

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CHINA REPORT  
POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS  
PRC STATE COUNCIL BULLETIN,  
No 4, 20 FEBRUARY 1985

Beijing ZHONGHUA RENMIN GONGHEGUO GUOWUYUAN GONGBAO [PRC STATE COUNCIL BULLETIN] in Chinese No 4, 20 February 1985

[This volume contains selected translations from the PRC STATE COUNCIL BULLETIN. Items marked [previously published] and [previously covered] have appeared in other JPRS or FBIS publications, and are cross-referenced wherever possible.]

CONTENTS

Resolution of the Standing Committee of the National People's Congress  
Concerning the Convening of the Third Session of the Sixth National  
People's Congress [previously published in FBIS-CHI-85-014, 22 January 1985,  
p K-1]

Order of the President of the PRC. [previously covered in FBIS-CHI-85-014,  
22 January 1985, p K 12]

Accountancy Law of the PRC (21 January 1985)..... 1

State Council Proposal on Submitting the "Accountancy Law of the PRC  
(Draft)" to the National People's Congress for Examination and  
Approval [not translated]

Resolution of the Standing Committee of the National People's Congress  
Concerning Teachers' Day [previously covered in FBIS-CHI-85-013,  
18 January 1985, p K 6]

State Council Proposal on Initiating Teachers' Day [previously covered  
in FBIS-CHI-85-011, 16 January 1985, p K 12]

Statement on Initiating the Teachers' Day by He Dongchang [not translated]

Vice Premier Li Peng's Answers to Reporters' Questions Concerning the  
Signing of a Contract on a Joint Venture for Construction of the  
Daya Bay Nuclear Power Plant [previously covered in FBIS-CHI-85-013,  
18 January 1985, pp E 1-2]

Circular by the General Office of the State Council on the Strict Prohibition of the Use of Public Funds To Purchase High-Grade Durable Consumer Goods for Employees (2 February 1985)..... 6

Premier Zhao Ziyang's Letter to President Nyerere of Tanzania, Executive Chairman of the Organization of African Unity, on the Disaster That Has Stricken the African People (16 January 1985)..... 8

State Council Approval of Liaoning Provincial People's Government Request To Establish the Manchu Autonomous Counties of Xiuyan, Fengcheng and Xinbin [not translated]

State Council Approval of Liaoning Provincial People's Government Request To Change Jinxi, Beipiao, Haicheng and Fuxian From Counties to County Level Cities [not translated]

State Council Approval of Guangdong Provincial People's Government Request To Change the Name of the Balawang Trough to the Nansha Trough [not translated]

State Council Approval of Yunnan Provincial People's Government Request To Establish Wanding City [not translated]

State Council Approval of the Request of the Jilin Provincial People's Government To Restructure the Administrative Systems of Tonghua Prefecture and Siping City [not translated]

NPC ADOPTS ACCOUNTANCY LAW

Beijing STATE COUNCIL BULLETIN in Chinese No 4, 20 Feb 85 pp 84-88

[Accountancy Law of the PRC, adopted by the Ninth Session of the Standing Committee of the Sixth National People's Congress on 21 January 1985]

[Text] Chapter One: General Provisions

Article 1. This law is formulated for the purpose of strengthening accounting work, safeguarding accounting personnel in performing duties according to the law, and giving full rein to the role of accounting in preserving the financial system, protecting socialist public property, strengthening economic management and improving economic results.

Article 2. The law shall apply to state enterprises and institutions, state departments, social organizations and military units dealing with accounting matters.

Article 3. Accounting departments and personnel shall abide by the law and its provisions when dealing with accounting matters, accounting and accounting supervision.

Article 4. Administrative leaders of all localities, departments and units shall direct their accounting organs and personnel and other staff to implement this law and shall protect the authority of accounting personnel. No person shall retaliate against accounting personnel.

Accounting personnel who enforce the law and perform duties sincerely and faithfully shall be given tangible or intangible rewards.

Article 5. The Ministry of Finance of the State Council shall administer the accounting work of the entire nation.

Financial departments of local people's governments shall supervise accounting work within their respective localities.

Article 6. A uniform, nationwide accounting system shall be formulated by the Ministry of Finance of the State Council in accordance with this law.

Subject to this law and the uniform accounting system of the state, the financial departments of all provinces, autonomous regions and municipalities directly under the central government, professional departments of the State Council and the PLA General Logistics Department may formulate their own accounting system or make additional regulations which shall be submitted to the Ministry of Finance for approval or for filing.

#### Chapter Two: Accounting and Auditing

Article 7. Accounting and auditing should be done in relation to the following:

- (1) payment or receipt of money or negotiable securities;
- (2) despatch, receipt, addition, reduction or use of property;
- (3) occurrence or settling of credit and debit;
- (4) increase or decrease and the receipts and payments of funds;
- (5) calculation of revenue, expenses or cost;
- (6) calculation and disposal of financial results;
- (7) other matters which require accounting work.

Article 8. A fiscal year shall commence on the 1st of January of each year and end on the 31st of December of the same year.

Article 9. All entries in ledgers shall be expressed in terms of RMB.

All foreign currency entries should be converted to RMB for bookkeeping purposes. The amount of foreign currency and its exchange rate shall also be recorded.

Article 10. All accounting vouchers, ledgers, statements or other accounting information shall be true, accurate, and complete and shall conform with the accounting system.

Article 11. For the purpose of carrying out the tasks stated in Article 7, original vouchers shall be filled in or obtained from and submitted to accounting organs.

Accounting organs shall examine all original vouchers and enter every examined item.

Article 12. Each unit shall establish accounting titles and ledgers in accordance with the provisions of the accounting system.

Accounting organs shall record all examined original vouchers on the ledgers in accordance with the provisions relating to bookkeeping in the accounting system.

Article 13. All units shall establish a property-checking system to ensure that all entries coincide with actual properties and amounts.

Article 14. All units shall compile statements from ledgers and shall submit them to superior units which in turn shall forward them to financial and other related departments in accordance with provisions in the uniform accounting system of the state.

All statements shall be signed or sealed by administrative leaders of units, cadre in charge of accounting organs and accounting officers-in-charge. In units staffed with a chief accountant, all statements shall be signed or sealed by him.

Article 15. All accounting vouchers, ledgers, statements and other accounting data shall be filed and carefully stored in accordance with relevant regulations promulgated by the state. The rules for storage periods and destruction of accounting files shall be formulated by the Ministry of Finance of the State Council in consultation with departments concerned.

### Chapter Three: Accounting Supervision

Article 16. Each accounting organ and its personnel shall carry out its own accounting supervision.

Article 17. Accounting organs and personnel shall not entertain untrue or unlawful original vouchers; inaccurate or incomplete original vouchers shall be returned for amendment or completion.

Article 18. When accounting organs or personnel discover discrepancies between ledgers and actual properties or amounts, they shall deal with the discrepancies in accordance with relevant provisions. Discrepancies which are beyond their jurisdiction shall be reported to administrative unit leaders for clarification and further action.

Article 19. Accounting organs and personnel shall not entertain any balance which is in contradiction with the uniform financial system of the state.

Accounting organs and personnel may enter any balance which they believe is contradictory to the uniform financial system of the state if administrative leaders so insist, but at the same time they must submit a written report to administrative leaders of supervisory units for further action and also notify audit departments. Administrative leaders of supervisory units shall decide within one month from the date of the report what action is to be taken. Accounting personnel who fail to submit a written report shall hold themselves responsible.

Article 20. All units shall allow supervision by audit, financial and tax departments which act in accordance with state provisions and shall furnish actual accounting vouchers, ledgers, statements and other accounting information and other related data. No refusing, concealing or false reporting shall be permitted.

Accounting firms run by certified accountants who are approved by the Ministry of Finance of the State Council or the financial departments of a province, autonomous region or municipality directly under the central government may conduct any auditing in accordance with relevant provisions of the state.

#### Chapter Four: Accounting Organs and Personnel

Article 21. All units shall set up accounting organs or create accounting posts within related organs and appoint an accounting officer-in-charge to fulfill accounting requirements. Large- or medium-sized enterprises, institutions and professional departments may create chief accountant posts to be filled by qualified accountants.

An audit system shall be established within each accounting department.

Cashiers shall not perform the tasks of storing audit or accounting files or make entries in any ledgers relating to income, fees, credit or debit.

Article 22. The principal duties of accounting organs and personnel are:

- (1) perform accounting work in accordance with Chapter Two of the law;
- (2) carry out accounting supervision in accordance with Chapter Three of the law;
- (3) devise specific methods of dealing with accounting matters;
- (4) participate in drafting economic plans, business projects, assessments, analytical budgeting and financial planning;
- (5) deal with other accounting matters.

Article 23. Accounting personnel shall be appointed and dismissed within the limitations of cadres' authority. Appointment or dismissal of responsible cadres or accounting officers-in-charge of accounting organs of enterprises or institutions shall be approved by supervisory units. Where loyal, principled accounting personnel have acted on incorrect instructions, supervisory units shall reprimand units in question and take remedial action. Where accounting personnel have been negligent, unprincipled and proved unsuitable for the job, supervising units shall reprimand units in question and order any necessary dismissals and replacements.

Article 24. Accounting personnel to be transferred or retired shall turn over all duties to successors.

All turning over shall be supervised by cadres in charge of accounting organs and accounting officers-in-charge. Any turning over between cadres in charge of accounting organs or accounting officers-in-charge shall be supervised by administrative leaders of units and, if necessary, by representative(s) assigned by supervisory units.

#### Chapter Five: Legal Liabilities

Article 25. Disciplinary action shall be taken against administrative leaders of units or accounting personnel who seriously disregard any accounting provisions in Chapter Two of the law.

Article 26. Disciplinary action shall be taken against administrative leaders of units or accounting personnel or other staff who have forged, altered or willfully destroyed accounting vouchers or ledgers. Legal action shall be taken in serious cases.

Article 27. Disciplinary action shall be taken against accounting personnel who entertain original vouchers which to their knowledge are untrue and unlawful or balances which to their knowledge are in contradiction with the uniform financial system of the state if such cases are serious, or against any administrative leaders of units or cadres in charge of supervisory units who have decided or insisted upon entertaining balances which to their knowledge are in contradiction with the uniform financial system of the state if such cases are serious. Legal action shall be taken in cases involving substantial economic losses.

Article 28. Disciplinary action shall be taken against administrative leaders of supervisory units who, without reasonable explanation, fail to make decisions on reports submitted by accounting personnel within the period specified in Article 19 (2), causing grave consequences.

Article 29. Disciplinary action shall be taken against administrative leaders of supervisory units or other staff who retaliate against accounting personnel that perform duties in accordance with the law. Legal action shall be taken in serious cases.

#### Chapter Six: Supplementary Articles

Article 30. The accounting work of municipal and rural collectives shall be formulated by the State Council and other leading departments concerned in accordance with the principles of the law.

Article 31. The law shall go into effect on 1 May 1985.

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## CIRCULAR ISSUED LIMITING USE OF PUBLIC FUNDS

Beijing STATE COUNCIL BULLETIN in Chinese No 4, 20 Feb 85 p 92

[Circular by the General Office of the State Council on the Strict Prohibition of the Use of Public Funds To Purchase High-Grade Durable Consumer Goods for Employees (2 February 1985)]

(Guobanfa [0948 6586 4099] 1985, No 6)

[Text] A batch of high-grade consumer goods imported under coordination of the state or produced domestically has been put on the market to increase the supply of commodities, withdraw circulation of currency and satisfy the daily needs of the people. However, it has been discovered in a few localities that purchases were made with public funds by groups and for employees. Such a practice should be stopped for it has neither helped to satisfy people's needs nor tighten the supply of currency; instead it has increased expenditures and expanded the purchasing power of groups. For this reason, the General Office serves the following notice:

1. Purchasers of high-grade durable consumer goods such as color television sets, refrigerators, washers, tape recorders, motor vehicles and cameras which have been put on the market by the state should be restricted to individual citizens in urban or rural areas. No enterprises, institutions, organs, organizations, military units or schools are allowed to purchase such commodities unless prior approval is sought from approving departments which control purchasing power of groups.
2. Commercial or other departments which engage in the sale or presale of such goods should check the identity of purchasers and receive cash or retain copies of transfer certificates issued to purchasers to ensure that such goods are purchased by the public.
3. No enterprises or institutions, organs, organizations, military units or schools should use funds which belong to the state or the collectives to purchase such goods for employees. All such previous payments should be settled immediately.

4. To ensure the supply of high-grade durable consumer goods, satisfy public needs and curtail the circulation of currency, purchasing power of groups should be brought under strict control. Approving departments in control of purchasing power of groups should, within a fixed period of time, not approve group purchase of color television sets, refrigerators, washers, tape recorders, motor vehicles or cameras, unless it has been proved that such goods are urgently required.

5. No loans involving the purchase of high-class durable consumer goods by individual employees should be granted by any bank. Withdrawals of large amounts of money by units should be carefully examined by banks, which may refuse to make such payments if it is found that withdrawals will be used by units concerned to purchase such goods for employees.

All units should strictly comply with the above provisions. Units found to violate these provisions should be held responsible.

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CSO: 4005/27

ZHAO EXTENDS CONDOLENCES TO NYERERE CONCERNING FAMINE

Beijing STATE COUNCIL BULLETIN in Chinese No 4, 20 Feb 85 pp 93-94

[Premier Zhao Ziyang's Letter to President Nyerere of Tanzania, Executive Chairman of the Organization of African Unity, on the Disaster That Has Stricken African People (16 January 1985)]

[Text]

President Julius Kambarage Nyerere,  
The President's Office,  
Dar es Salaam,  
The United Republic of Tanzania.

Dear Mr President,

With reference to your letter dated 1 December 1984 in the capacity of Executive Chairman of the Organization of African Unity [OAU], I, first of all, on behalf of the Chinese Government and people, would like to express my hearty congratulations on your lofty and glorious duties as Executive Chairman of the OAU during this significant period and wish you every success.

Thank you for your letter in which you told me precisely of the grave drought and famine now confronting most African countries, of the 20th Summit Meeting on combating these disasters and of the emergency measures being adopted. In your letter you have, in particular, mentioned that African countries are now proceeding with plans to readjust economic systems to surmount basic economic difficulties. The content of your letter helped me understand the present situation in Africa. I should be most grateful if you would send the fraternal and sincere regards of the Chinese Government and people to Africans who are suffering from these disasters and our admiration for their undauntedness and readiness for self-help.

The Chinese Government and people are very concerned about the drought that has stricken African countries and its grave consequences. It is our responsibility to offer help to those afflicted countries and their people. Perhaps you remember that in 1984 the Chinese Government did its best to donate 120,000 tons of relief grain to those afflicted African countries. In addition, we have recently sent an emergency medical team to Ethiopia. We do hope that we have shown our concern over our African brothers through such aid and helped alleviate their suffering.

I wish to tell you that the Chinese Government is extremely concerned over the situation which you have mentioned in your letter and your appeal for afflicted African countries.

In response to your appeal, we are prepared to provide afflicted African countries and their people with a considerable amount of relief grain and other resources this year so as to continue to help the African countries and their people to surmount natural disasters. Furthermore, we are actively exploring the possibilities of strengthening our cooperation with some African countries in boosting agricultural production so that they will be better able to surmount natural disasters.

I sincerely hope that the calamity in Africa will be alleviated and its difficulties overcome through the endeavors of African countries and their people and worldwide sympathy and support.

I take this opportunity to send my best regards to you, to the people of Tanzania and to all Africans.

With best wishes.

Zhao Ziyang,

Premier, the PRC State Council  
16 January 1985, Beijing

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29 January 1986